

February 10, 2011

BY ELECTRONIC FILING

The Hon. Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *Universal Service Fund and Lifeline/Linkup modernization and pilots, Docket 03-109*

Dear Chairman Genachowski:

In the wake of the National Broadband Plan (NBP) recommendations and the urgency to modernize the Universal Service Fund (USF), One Economy believes no single effort by the Federal Communications Commission (FCC) could do more to advance the cause of broadband adoption than fostering serious and immediate market-based pilots around USF modernization. We have an opportunity, a national call-to-action, to place as much effort and energy into effectively and efficiently putting broadband in the hands of low-income, minority, and unserved citizens so that they will no longer be left behind in our digital divide. If we do not act now, we will fail to place the proper technology and tools in the hands of these communities, and they will not fully participate in digital opportunities around education, job development, and health. USF is a \$9 billion program, with approximately \$1.2 billion allocated to Lifeline / Linkup; we must accelerate the re-allocation of these dollars to support the broader goals of the NBP.

To wit, we recommend that the FCC use its policy and funding arms to promote the following two pilots around serious USF and Lifeline / Linkup modernization. The FCC could potentially fund portions of these pilots through the COMPETES Act or an Order around USF pilots, and we suggest that the FCC exercise that lever.

1. **4G Public Private Partnership (PPP) Pilot:** We believe that a significant yet extremely cost-effective pilot should be carried out in a large metro MSA most significantly impacted by the current economic conditions (i.e. Detroit or New Orleans). Purpose-driven broadband could deliver great impact to the city, providing the necessary at-home and mobile connections to support 24/7 education, health, job, and government service access. With intention, we can foster application development around these initiatives and create a fertile bed for use by those hit hardest by the economy. This 4G PPP Pilot would bring together a non-profit intermediary to administer the Pilot, convene the community, and provide digital literacy training; a spectrum holder to contribute spectrum on favorable terms; a carrier to serve as the delivery and billing agent; a customer-premise equipment (CPE) company; a tower company; computer and mobile device companies; and community and municipal leaders. We have already approached these entities and, based on funding, could launch a Pilot by Q3 2011. To provide 4G wireless to the entire 800,000 Detroit metro, it would cost a fraction of that of a wireless or even a fiber-based network. In addition to creating a viable and extensible infrastructure, the effort should include other services that would further support the sustainability and reach of the project, such as awareness, training, and community capacity-building. This Pilot will leverage significant contribution from the private sector and a sustainable model for network continuity. To make this Pilot happen and prove out an eminently scalable model to extend broadband, broadband adoption, and broadband utility to low-income communities, we look to the FCC for support.
2. **Reverse Auction Pilot:** We believe that there is no better stimulus for broadband and for the economy than leveraging policy tools to promote market-driven activity. Reverse Auctions that provide winners with quantifiable markets will almost assuredly focus increased attention and efforts by Internet Service Providers (ISPs), mobile or fixed, to reach these communities. ISPs will compete against known low-income, minority, or unserved communities with offerings that provide the lowest-price, highest speed, and congruent training efforts to these communities. The

winner will receive singular access to that community, with or without additional USF subsidies for capital build-out. This market-driven mechanism, at the FCC's disposal, could provide tremendous inroads into our nation's broadband adoption problem. We suggest 1-2 Pilots in urban, Native American, and/or rural communities.

One Economy respectfully submits these proposals for the FCC's consideration and would gladly discuss further.

Respectfully submitted,

One Economy Corporation

By: /s/
Kelley Dunne
CEO

By: /s/
Ken Eisner
Managing Director, OE Ventures